



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Terri Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: July 28, 2003

THE WEEK AHEAD

Risk Management: On July 29, FSA representatives will make a presentation on Risk Management to the Default Management subcommittee of the National Council for Higher Education Loan Programs (NCHELP).

OPERATIONAL METRICS

Application Activities through July 19, 2003: The Central Processing System (CPS) has processed 8,957,609 applications for the 2003-2004 cycle, a 8.4% increase over the 2002-2003 cycle.

Program Disbursements: Through the week ending July 19, annual Pell and Direct Loan disbursements reached \$11.53 billion and \$11.13 billion respectively. Through the week ending July 21, annual FFEL disbursements reached \$25.09 billion. Through June, annual Direct Consolidation Loan disbursements reached \$4.13 billion.

Total Default Recoveries: Through July 18, total FSA default recoveries for the fiscal year reached \$1.305 billion, up 18% year to date. Total non-consolidation recoveries reached \$1.072 billion, up 31% year to date. Combined Recoveries from our private collection agency efforts reached \$802.6 million, up 33% year to date.

1-800-4-FED-AID through July 19, 2003: Year-to-date, the Federal Student Aid Information Center (FSAIC) has received 5,166,388 calls, a 3.0% increase over last year. Service levels have increased with 98.8% of calls completed, a 4.2% increase over last year and the average speed to answer reduced by 70.0% over last year to 10 seconds.

FSA IN THE FIELD

Studentaid.ed.gov: For the week ending July 19, studentaid.ed.gov set new records for total visits with 308,220 (previous high was 294,529), average daily visits for the week with 44,031 (previous high was 42,075), and single day usage with 59,290 visits on July 22 (previous high was 58,738).

FAFSA on the Web

On July 23, FAFSA on the Web reached another milestone receiving the 5.5 millionth 2003-2004 FAFSA Web Application.

Spanish FAFSA on the Web

Year to date, FSA received 22,454 Spanish FAFSA on the Web applications. We have received 67% of last year's total volume and are only 7 months into the 2003-2004 cycle!

Information for Financial Aid Professionals (IFAP): The number of visitors accessing the Information for Financial Aid Professionals (IFAP) web site has increased dramatically during the past year. IFAP serves as the Department's official source of information for the financial aid community on technical publications, regulations, and policy guidance. IFAP Subscribers increased 300% since August 2001 and the number of IFAP visitors increased 119% from June 2002 to June 2003.

KEY ISSUES

Americans at Foreign Schools (GAO-03-647): On July 22, FSA provided a response to the GAO audit on foreign schools. GAO determined that FSA made progress in monitoring foreign schools but concluded that more steps could be taken and made some recommendations.

COD System (A11-D0004): An entrance conference is scheduled for August 11 to preview the GAO audit of FSA's Common Origination and Disbursement (COD) System. The purpose of the audit is to (1) determine the level at which COD is meeting its original system goals and performance measures, (2) review internal and external interfaces, (3) evaluate management controls over data and COD data quality, and (4) assess the effectiveness of COD security.

Perkins Electronic Signatures: On July 17, a Dear Colleague Letter was posted to FSA's Information for Financial Aid Professionals (IFAP) web site announcing the new Master Promissory Note (MPN) for the Perkins Loan program. The Perkins MPN is designed as a multi-year, multi-loan promissory note for students. Generally, as long as the student and the school do not change, a new note is not required. This MPN is optional for the 2003-2004 school year but will become mandatory beginning November 2004.

Sallie Mae Monthly Payment Error: FSA continues to assess the impact of Sallie Mae's recent disclosure that a Sallie Mae system problem caused over 1 million borrowers to make inaccurate monthly payments. FSA, OPE, OGC, and OIG are reviewing policy implications and options for resolution.

ON THE HORIZON

Common Services for Borrowers (CSB) Procurement: The Department of Education has received proposals from ACS Education Solutions and Sallie Mae, Inc. in response to its CSB request for proposals. The CSB Source Selection Advisory Committee is now reviewing the respective technical and business proposals. The Committee's objective is to complete its

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review on a schedule that will permit the Department to award the CSB contract by September 30th.

Boston Summit: FSA's Eastern and Northern Regions will be hosting a "Boston Summit" partnership meeting on August 27, 2003 in Boston, MA. The "Boston Summit" is an annual meeting focusing on guaranty agency operations and finance.

Default Aversion Information Sharing Session: FSA and the the guaranty agency American Student Assistance (ASA) will host a "Default Aversion Information Sharing Session." This session is scheduled for October 21-22 in Cambridge, MA. The session provides an opportunity for the guarantors from the two regions to share best practices.

CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.